

JUN 30 2020

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY am
DEPUTY CLERK

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That office closed within 2 months after and I had to deal with many messed up returns and mistakes from that office including a horrible reputation.

These incidents are covered in my issue list that Liberty is blocking me from, that I will ask for in discovery. I approached Jay Contreras, the area director, about issue and was informed only way to keep them from opening back up was by also buying that territory for another \$40,000. After holding the territory for 1 year, I was then informed, that if I did not open a office in that territory, I would be charged \$11,000 a year in royalties for that territory. Opening an office made no sense because it is a small town and it was only 1 mile from my office.

Mr. Contreras informed me I could trade that territory for one in Killeen, that they had taken back. I was given promises that the other Killeen Liberty Office, a half mile away, had closed and I should pick up their business. I was also promised loans for marketing to get office going. I discovered that they were complete lies and I received no help from Liberty whatsoever. The other Killeen Office had not closed. They had simply moved between me and the gate to the military base cutting off all business.

My Killeen Office was open 2 months and then closed due to substantial loss of revenue. Attached is an email and communications where I broached this subject with Regional Director, where he basically tried to tell me that he did me a favor by switching territories, even though I lost \$30,000 on it. It also shows where I was not credited for territory that was traded for killeen territory. There was no plan as Liberty falsely claims and was simply trying to make the best of a bad situation. **EXHIBIT B** shows emails and issue pertaining to that,

The Killeen office is approximately 30 miles and 40 minutes from the Temple office shown in **EXHIBIT C**. It is an absurd accusation that we would gain customers to the Temple office by closing the Killeen office.

It can be shown that we did not have any clients of the Liberty Tax Killeen office at Natty's Tax Service this year. The Killeen office was bought in Nov 2018. Over 1 year before Natty's Tax.

There is NO Liberty Mark's used anywhere in or at the location of Natty's Tax Service which was attested to by all employees in notarized statements in previous filing.

As far as the injunction they have asked for they asked for those at a dismissal hearing on May 13, 2020 and were denied yet they are once again bringing up same arguments that have already been discussed prior to full hearing. Sworn statements from all employees have already been provided to the court from that no liberty marks were used and all destroyed.

Article #2 of Complaint

As provided in previous filings, I started Natty's Tax Service to distance myself from Liberty Tax. **Due to Liberty Tax multiple lawsuits.**

Exhibit D shows a settlement with the IRS over fraud committed by Liberty Tax that they knew was going on.

Exhibit E shows sexual harassment lawsuit settled in 2019.

Exhibit F shows lawsuit funding investors

Exhibit G shows publicity generated from these actions

By Liberty's neglect and mismanagement, it extremely would harm my business to be associated with them in anyway. I deal with a lot of high-end clients, that I have been doing taxes for 20 years.

These clients expect a degree of professionalism 2 of these clients contacted me in December 2019, after reading the attached story on Liberty Tax's fraud and settlement to inform me in good conscience, they could not be associated with that.

I immediately read the story and dropped Liberty and removed everything from the office **that had liberty on it in anyway.**

Exhibit H. shows picture of the sign, which Liberty keep mentioning. It was painted over till I could add Natty's which was done by beginning of February.

Article #3 of Complaint

As I have stated above by being associated with Liberty Tax in anyway is a determent to my business and issue of the called Liberty Marks has already been addressed and agreed upon. As far as clients as the Judge stated in the Dismissal Hearing, the client has a right to who they want to do their taxes and most of these clients were mine long before they heard of Liberty. There is no such thing as Liberty computers because all computers were purchased by me individually and not thru Liberty Tax. I do not solicit business because customers come to me on their own and all advertising is for Natty's Tax Service.

As Federal Law states, a franchise agreement that the franchisor cannot put the franchise under undue burden. By Liberty's own actions, they have caused many clients, who files a return with the IRS that has Liberty Tax on it, under extra scrutiny. With years in the business, clients dealing with reviews and audits are under extreme stress and do not deserve to be put in that position because of Liberty Tax's questionable dealings. As an ERO, I do not need the extra scrutiny of being associated with that type of organization.

Liberty has been ordered to operate under a third-party supervision for 3 years and that alone is something not agreed too under the franchise agreement. Liberty is requiring franchisees to scan returns into the computer and email to them for review before transmitting. This is because of the settlement and causes unnecessary burden upon the ERO to be paying someone extra to be scanning documents and an undue burden on the taxpayer. Causing them to wait excessive amounts of time for loans, whereas without Liberty Tax, most of my client's loans were printing within 5 minutes.

As far as asking for me to not do taxes, I have a PTIN, that is issued by the IRS and not Liberty Tax, and I am a registered ERO with the IRS. I had to submit to fingerprinting and a background check to obtain. Neither of which is in any way associated with Liberty Tax.

Liberty Tax, asking the Court to bar me from doing taxes is simply an attempt to punish me for not subjecting myself to their continued abuse. My lively hood for over 20 years has been doing taxes. I am disabled and raising a 3-year old. Liberty Tax would prefer to cause me to be homeless and on Government Assistance instead of making a living for my family.

The lease for the location of 1400 B W Adams, Temple is under a business name that I have owned for many years. Osage Enterprises.

Exhibit I. All paperwork that is signed and given to all customers specifically says Natty's Tax Service

I am closing on section 3 to deal with the IRS as Liberty Tax is like applying for a job from Walmart after you got caught stealing from them the day before.

Claims 4 through 7 of Complaint.

Defendant agrees with.

Claim 8 of Complaint

Refers to Lanham Act yet defendant is not using any Liberty Marks for reasons stated above and has asked on numerous occasions for Plaintiff to show what specific Marks that have been used. To date, they have avoided that and have yet to provide that information. Defendant would ask the court to please compel plaintiffs to provide what supposed marks defendant is using.

Claim 9 of Complaint

Liberty Tax, in good faith, has broached all agreements due to their actions and undue burden which they brought upon defendant.

Claim 10 of Complaint

There is no property involved.

Claims 11 thru 15 of Complaint

Agreed except siempre tax has no bearing whatsoever on this case being defendant has never operated a siempre tax office.

Claim 16 of Complaint

Company info on line 16 is misleading information, because Liberty Tax charges each franchise 5 percent advertising, yet they do no advertising on tv, radio, and no newspaper. The franchise and defendant in 3 years never received one bit of advertising from Liberty Tax and would ask the court to make Liberty Tax to provide a list of such advertising it done to benefit defendant.

Claim 17 of Complaint

For years, Liberty Tax grants licenses to anyone with the cash to buy a franchise.

So called secret information is no more than use \$50.00 bills to distract people from the \$600 fees they charge and other things that have already been brought up in previous filings.

Claim 18 of Complaint

Plaintiffs continue to ask for files, yet as it has been previously shown in court and by their own admission, that all their client files are on their online system. We do not have access to any of those files. The only files that may belong to Liberty Tax, are the signed documents which they have been told numerous times they could have. All they need to do is to decide to come pick them up. Liberty Tax does not want them but, in my opinion, they are simply trying to force me to box them up and mail them at a huge expense. Knowing that I am disabled and cannot carry them.

They have numerous offices in the area, and they can make arrangements to come get them.

When the Liberty Tax Office on 31st in Temple closed, they left 5 years of files from 5 offices in them and refused to come get them or shred them and this is also covered on issue list.

Also 2 separate offices in Killeen, they left the files. Not caring one bit for customers private information. I will state again, as I stated before, they can come get them anytime they want.

Claim 19 of Complaint

Plaintiff continually use the word good name which in itself is a huge exaggeration because of all reasons listed above and any 5-minute search on the internet will show a completely different outlook.

Claim 20 of Complaint

Plaintiffs have 2800 offices by current sec filings yet 5 years ago had over 5000 and of the 2800 offices they have most have been resold numerous times and I ask the court to make them provide that info as well as how many have closed or changed owners in that time period so that defendant can show their pattern of deceptive practices.

Claim 21 of Complaint

Being largest has no meaning compared with service.

Claim 22 of Complaint

The 12000 preparers the plaintiffs mention, are mostly trained in a 2-week rapid course liberty pushes and paid minimum wage. They have no tax knowledge and are simply taught input. One of my initial conflicts with Liberty was over that because all my preparers have a minimum 5 years of experience and make at least \$10.00 per hour plus 5 percent commission not \$7.35 and let go at end of peak with no commission as liberty wants us to do.

Claim 23 of Complaint

Agreed.

Claim 24 of Complaint

Agreed.

Claim 25 of Complaint

Agreement was broken by liberty's actions.

Claim 26 of Complaint

I was told if I did not, they would open against me again so bought territory to keep from competing with another liberty.

Claim 27 of Complaint

There was never an office opened there and it will show by royalties' sheet and as stated above. Any claims of it being operated is a complete falsehood.

Claim 28 of Complaint

The details on this territory was covered in Section 1.

Claim 29 of Complaint

Office was closed.

Claim 30 of Complaint

This territory was supposed to have been traded for Killeen in November. Liberty did not terminate it till March, so as to collect 5 more months of interest and the 16k I paid on that territory was never credited towards Killeen as it was supposed to and once again will show in the issues.

Claim 31 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

As mentioned, many times, the Plaintiff deceived the Defendant. The Plaintiff charged \$49.95 Republic Bank Filing fees. The Plaintiff stated clearly that the fees were Republic Bank fees. Republic Bank fees were only \$34.95 per return. This means that Liberty Tax made \$15.00 on each electronically filed return, by claiming it was a Republic Bank fee, when in truth, it was not.

Liberty Tax paperwork shows a \$15.00 electronic filing fee, which h the customer is lied to believe is to the IRS. Yet it is not. The money went to Liberty Tax. A \$9.00 kickback per electronic filed return, from Republic Bank, that was intended for the ERO (the Defendant). Liberty Tax intercepted all these fees.

They also pushed all the franchises to offer "NO INTEREST LOANS". They were not, as the Plaintiff's would charge up to \$200.00 per loan.

This comes in to play again when they charge the Royalties and advertising fees. Their franchise Agreement specifically states, "Fees are charged on NET FEES only". Though the plaintiff charged the fees on the loan fees as well.

Therefore, the Plaintiff breeched their own franchise contract to the estimated sum of \$38.00 a return. The loan fees came To the sum of \$26,000.00 in loan fees for a total of 4940 in unjust Royalties in 2019.

Claim 32 of Complaint

As I have mentioned above, I was forced to spend 2 weeks in Virginia listening to them talk about costumers and not 1 time ever discuss taxes. Therefore, they continually bring up the manual because it would show it has nothing to do with taxes but shows ways to make customers spend their money. When I walked out of training, I threw the manual in the dumpster because it had nothing to do with taxes. I wish I had not so the court could see what it consisted of.

Claim 33 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 34 of Complaint

This is misleading as it suggests you get those fees. Liberty has everything set up to where all the fees go thru them. They then take what they want rather you agree or not. They then hold those fees and force you to fill out another loan request, so they can charge you more interest. Constantly forcing you further and further in debt to them while they intercept all your money. One of their breakdowns is included in exhibits.

Claim 35 of Complaint

The 12 percent interest that they are charging is for the money they released to you for bills and payroll, instead of releasing some in the beginning. They have one so called loan called ESF, where they release a certain amount of you tax fees to you at 12 percent interest yet they are repackaging what you are already entitled too from Republic Bank and get released at 1 percent.

Claims 36 and 37 of Complaint

Addressed above and Natty's Tax Service which is mentioned in this is a separate business not bound by those agreements.

Claim 38 of Complaint

As mentioned, the Defendant does not and will not use Liberty Marks due to the undue harm which it will cause.

Claim 39 of Complaint

Liberty Tax mentions franchised business. As mentioned above, the business is no longer Liberty Tax and the lease and federal filing shows such.

Claim 40 of Complaint

As stated, Liberty Tax broke all agreements when they committed fraud and put undue burden on defendant.

Claim 41 of Complaint

As can be seen by all filings, Liberty Tax simply wants to force the Defendant to once again become a Liberty Tax so they can once again intercept all fees that he makes doing the same clients he has done for 20 years.

They speak of customer loyalty, yet this tax season they mailed 50% off coupons to all customers to come to their Harker Heights office. All customers were informed, that we were no longer Liberty Tax, before any return was started.

Claim 42 of Complaint

Liberty Tax is once again showing they simply want to punish the Defendant for not agreeing with their criminal actions.

As it shows at any time Liberty can buy back franchises at 20 percent over net dollar amount which for 2 offices last year would have been \$240,000. Liberty was told and emailed that the Defendant wanted to sell last year and they not only ignored it. They did not even respond, and this will be showed on the issue list I am requesting.

I have spoken with two other ex-franchisees that Liberty did the same thing to. They prefer to simply go in take a territory. Then resell it and never credit the ex-franchisee for any money they collect, and this can be shown with the records requested for territory's taken and resold.

Claim 43 of Complaint

Once again, no Liberty Marks are being used.

Claim 44 of complaint

There is absolutely nothing of libertys I want to use or be associated with.

Claim 45 of Complain

There is nothing to use since it simply consist of ways to deceive customers which we do not do nor have never done .

Claim 46 of Complaint

The Plaintiff already acknowledge themselves, earlier in this brief, that due to the location of this filing, that it falls under jurisdiction of this court. The Plaintiff is simply using this to try to get a

better advantage, because to this point, they have not got what they have ask and are simply trying to ignore the authority of this court.

Claim 47 of Complaint

Addressed above. The Territory was traded for Killeen and Liberty never credited the Defendant for monies paid in the territory. Covered in issue list.

Claim 48 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 49 of Complaint

As was pointed out before, most of the customers were the Defendants, of which, he brought with him to Liberty. As stated by judge in hearing on May 13, it was the customer's choice who they wanted to trust with their taxes. Libertys method is to simply take business from franchissee and profit from their work.

Claim 50 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 51 of Complaint

Once again, the Plaintiff is questioning the authority of this Court because the Plaintiff would prefer the Defendant to incur undue stress and have to travel out of State to fight charges.

Claim 52 thru 59 of Complaint

The notes in question were 2 originally. One for \$98,000 and \$33,000 on the other. With \$16,000 that was to be credited and \$30,000 collected on one and \$8,000 on the other. Liberty will resell both territories, like they always do, for more than those amounts. If they would have bought out the Defendant when he asked or sold the offices when the Defendant asked, we would not be here. Liberty refused because the Defendant would be owed money. Liberty has refused to give the Defendant credit for the Territory. It is back up for sale.

Claim 60 thru 66 of Complaint

Addressed above and since Liberty wants to take the Defendants livelihood with outrageous amounts of unsecured debt and the Defendant has no tangible assets and moved out of the above office 3 months ago and considered his current condition of being disabled and a large amount of personal debt he ran up trying to keep Liberty afloat while they were taken all his money. Bankruptcy has been considered as well as a countersuit because of the numerous lies and promises made to the Defendant by Liberty's representative Jay Contreras.

Claim 67 of Complaint

Location was left because it drove the Defendant to \$30,000 in debt. Liberty does not care if u starve as long as you stay open and they take all your money. The closest Liberty Tax Office is approximately 25 miles from Natty's Tax Office, in Harker Heights, Tx. Killeen has 3 Liberty Tax offices and is approx. 30 miles away. That alone should show that what happens in Temple has no bearing in Killeen and that it simply implies the Plaintiffs way to hide their misdeeds. EMAILS ARE attached showing how defendant had to fight with liberty just to make payroll.

Claim 68 of Complaint

This is an outright lie. This has already been addressed. Copies of signage and advertising has been attached. The Plaintiff has been asked time and time again to show supposed signage and has not, because there is none. The Plaintiff had people in Natty's Tax Office on or about January 26,2020. They saw no Liberty Marks, or they would have brought it up at that time or had been able to show proof by this time. The Plaintiff has been asked repeatedly to show proof of any Liberty Marks being used, and they have not. They were even offered to come back in office to point out 1 single liberty mark.

Claim 69 of Complaint

This business is not a franchise location, because nowhere on lease or signage does it say Liberty Tax

Claim 70 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 71 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 72 of Complaint

Natty's Tax Service has not deprived Liberty Tax of anything because we are not Liberty Tax.

Claim 73 thru 77 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 78 and 79 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 80 of Complaint

Liberty Tax broke those agreements by loss of integrity.

Claim 81 of Complaint

Natty's Tax Service does not use and will not be any of Liberty Marks. Why would anyone want to be associated with Liberty Tax after what they have done?

Claim 82 of Complaint

Once again, the Plaintiff has been asked numerous times to show proof of such and cannot do so. They have shown the Court a painted over logo that has been since covered and a sign from Republic Bank in Spanish stating we do advances. The sign says nothing of Liberty Tax. The Plaintiff was in office and would have taken pictures of anything that was a Liberty Mark. A person can say the sky is red and that does not make it so, just because they say it

Claim 83 of Complaint

Natty's Tax Service is not a Liberty Tax business as addressed above. All computers and other items in the office belong to Natty's Tax Service

Claim 84 of Complaint

Once again, it is no longer a franchise location, By the Plaintiff's own admission, the Plaintiff terminated the agreement on Feb 05, 2020. (claim 77)

Claim 85 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 86 of Complaint

I am not in competition as most of the clients come to see a specific tax preparer, not Liberty Tax. As of this time, there is no Liberty Tax in Temple.

Claim 87 of Complaint

How can the Defendant be competing with Liberty Tax, when there is not one in Temple, TX? Most people do not usually go to other towns to do taxes unless they are going to a certain tax preparer.

Claim 88 of Complaint

The Defendant is not sure what information that the Plaintiffs are concerned about.

Claim 89 of Complaint

The Defendant has no use for Liberty's so-called deceptive practices. Natty's Tax Service has not and will not even use them.

When I was Liberty Tax, they would expect the franchise to charge the client over \$500 and distract them with a \$50 sitting on the desk. I choose to charge the client less and explain to the client that if they would like to get the \$50 advance, we would add it to bill. This put the Defendant in contention with them from day 1

The Defendant's consciousness would not let them do this to their clients

Claim 90 and 91 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 92 of Complaint

All loss was brought upon by the Plaintiff's. Through their own acts that they committed.

All clients were informed, in very beginning, That Liberty Tax was no longer in Temple. Natty's Tax Service tax preparers had cards on desk with closest Liberty Tax Office.

The closest Liberty Tax Office is approximately 20 miles from Natty's Tax Office, in Harker Heights, Tx.

If the client wanted Liberty Tax to do their taxes, they could have gone there.

The Plaintiff's even mailed out 50% off cards to all the prior year clients, stating that the Adams Office had moved to Harker Heights.

Claim 93 of Complaint

Has been addressed above. Also, because of their own actions. Killeen has 3 Liberty Tax offices and is approx. 30 miles away. That alone should show that what happens in Temple has no bearing in Killeen and that it simply implies the Plaintiffs way to hide their misdeeds.

Claim 94 of Complaint

The Client's info is left in offices and is trusted to owner and other tax preparers and not Liberty Tax. This issue has already been addressed above and ruled by the court, that a person has a right to who they choose to give that information too.

Claim 95 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 96 and 97 of Complaint

All agreements have been broken by company and the Plaintiff admits they were terminated.

Claim 98 of Complaint

Since day one, Liberty Tax has provided nothing.

1. Software that is constantly not working.
2. No Customer support
3. Any problems, you are required to submit a work order / issue and hope they call you back within 48 hours
4. Attached is **EXHIBIT K** from this year showing once again only able to address 20 percent tech issues.
5. When they do finally contact you, the Office has already lost many customers because of that and it will all show on issue list I have ask for.

Claim 99 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 100 of Complaint

The Franchise agreement was negated by Liberty Tax due to undue burden on defendant and unscrupulous lies and unaccounted fees.

Claim 101 thru 110 of Complaint

The Plaintiff is simply stating the same things over and over. With only conjecture and assumptions. The Plaintiff cannot in no way have any idea what the Defendant may or may not have planned.

The address in question was for the last known address of a Liberty Tax Office, that had been closed for over 3 years. Defendant changed address in libertys system first of January to make sure I did not pull any business looking for liberty.

Claim 111 to 122 of Complaint

As stated above, Liberty will attempt to resell the territories to someone else and start the process all over again. The Defendant has the right to file for bankruptcy under Texas and Federal law and due to his lack of assets and failing health has a right consider it

Claim 123 to 126 of Complaint

Once again simply accusations addressed many times. I, the Defendant. Challenge the Plaintiff to go to the above location and show me one liberty mark.

I, the Defendant, asks the Court to strike all references in these filings to Liberty Marks until the Plaintiff can answer one question, and that is what marks? They have been asked this many times, but the Plaintiff continues to avoid the question.

The Plaintiffs should not be able to use those terms unless they can state and show the Court what Liberty Marks the Plaintiffs are talking about.

As the Defendant has stated numerous times, they are welcome to come see for themselves instead of making accusations from half-way across country

Claim 127 to 131 of Complaint

Once more, a repeat of the same accusations. Natty's Tax Service is a business of its own not associated with Liberty Tax in anyway

Claim 134 to 138 of Complaint

Once again, the same phrases over n over and defendant will be filing a motion demanding the Plaintiff to show the court these so-called marks they have referred to 34 times.

If Liberty Tax is such a good and trustworthy name. Why did they decide to change their name over to FRANCHISE GROUP INC. on September 19, 2019? Simply so the upcoming settlement with the IRS would not show as strictly liberty.

EXHIBIT L SHOWS MULTIPLE LAWSUITS CLOSURES AND OTHER INFORMATION.

Respectfully submitted

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